

PEPPER, HAMILTON & SCHEETZ

ATTORNEYS AT LAW

123 SOUTH BROAD STREET

PHILADELPHIA, PENNSYLVANIA 19109

215-545-1234

CABLE ADDRESS

"PEPFIL PHILADELPHIA"

SUITE 200

1776 F STREET, N. W.

WASHINGTON, D. C. 20006

202-467-6500

P. O. BOX 1181

10 SOUTH MARKET SQUARE

HARRISBURG, PA. 17108

717-233-8483

NUMBER ONE RADNOR STATION

KING OF PRUSSIA ROAD

RADNOR, PA. 19087

215-687-8440

No.

Date

OCT 26 1978

Fee

\$50.00

ICC Washington, D. C.

October 25, 1978

H. Gordon Homme, Jr.  
Acting Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

RECORDATION NO. 9801 Filed 1488

OCT 26 1978 -2 30 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Homme:

I am sending herewith for filing in your office pursuant to Section 20c of the Interstate Commerce Act, six counterparts of the following:

Participation Agreement dated as of October 18, 1978 among Dollar Savings Bank, S&R Boxcar Company, Girard Leasing Corporation, National Railway Utilization Corporation and Pickens Railroad Company covering the sale and assignment to Dollar Savings Bank of an interest in 101 new boxcars for use in Interstate Commerce.

There is also enclosed a check in the amount of \$50.00 for the recordation fees. The names and addresses of the parties to the transaction are as follows:

Secured Party:

Girard Leasing Corporation  
3 Girard Plaza  
Philadelphia, PA 19101

Dollar Savings Bank  
4th Avenue & Smithfield Street  
P.O. Box 987  
Pittsburgh, PA 15230

Purchaser  
and Lessor:

S&R Boxcar Company  
4221 Ferne Boulevard  
Drexel Hill, PA 19026

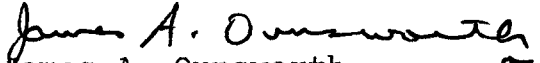
H. Gordon Homme, Jr.  
October 26, 1978  
Page 2

Lessee: National Railway Utilization  
Corporation  
Pickens Railroad Company  
c/o National Railway Utilization  
Corporation  
100 Centre Square East  
1500 Market Street  
Philadelphia, PA 19102

The equipment covered by the agreements consist of 101  
50'6" 70-ton boxcars with A.A.R. mechanical designation XM, bear-  
ing Lessee road numbers MNJ 120517-120617, inclusive, and marked  
"Ownership subject to Security Agreement filed under ICC Section  
20c."

Kindly return to the bearer five counterparts of the  
documents.

Very truly yours,

  
James A. Ounsworth

JAO/jam  
Enclosures

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

10/26/78

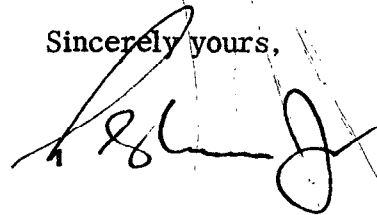
OFFICE OF THE SECRETARY

James A. Ounsworth  
Pepper, Hamilton & Scheetz  
123 South Broad Street  
Phila. Pa. 19109

Dear Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 10/26/78 at 2:30pm ,  
and assigned recordation number(s) 9801

Sincerely yours,



H.G. Homme, Jr.,  
Acting Secretary

Enclosure(s)

SE-30-T  
(2/78)

RECORDATION NO. 9801  
OCT 26 1978 4:30 PM  
INTERSTATE COMMERCE COMMISSION

PARTICIPATION AGREEMENT

Agreement, dated as of October 18, 1978 by and among Dollars Savings Bank (the Participant), Girard Leasing Corporation, a Pennsylvania corporation (the Agent), S&R Boxcar Co., a Pennsylvania limited partnership (the Debtor), and National Railway Utilization Corporation and Pickens Railroad Company, both South Carolina corporations (collectively, the Lessee).

WHEREAS, the Agent has advanced to the Debtor the aggregate principal amount of \$3,133,246 and the Debtor has issued to the Agent two promissory notes (collectively, the Note) dated September 29, 1978 for such amount;

WHEREAS, to secure the Debtor's obligations thereunder, the Agent and the Debtor have executed a Security Agreement dated September 29, 1978, which assigns certain Collateral defined therein to the Agent, and the Security Agreement has been recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act at 1:20 P.M. on October 20, 1978 and assigned recordation number 9787;

WHEREAS, the Debtor has entered into a certain Lease defined in the Security Agreement with the Lessee and

the Lease has also been recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act at 9:10 A.M. on September 29, 1978 and assigned, along with certain attachments thereto, recordation numbers 9721, 9721-A and 9721-B;

WHEREAS, to further secure the Note the limited partners of the Debtor have each executed limited guarantees of the Debtor's obligation to the Agent (the Guarantees) dated September 29, 1978, each in the amount of \$585,420;

WHEREAS, the Agent and the Participant have agreed to the acquisition by the Participant of an undivided interest in the Note, the Security Agreement, the Guarantees and all other opinions, certificates and other documents in respect thereto in which the Agent has any rights, on the terms and conditions set forth hereinbelow:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Interest of Participant. The Agent hereby sells, assigns and transfers to the Participant an undivided participating interest of 48% in the Note, the Security Agreement, the

Guarantees and all other opinions, certificates and other documents in respect thereto in which the Agent has any rights, and all payments of interest, repayments of principal and any other amounts thereon received hereafter. Such participation shall become effective, and interest shall begin to accrue to the Participant, as of the date upon which the Agent has received from the Participant in immediately available funds the amount of the participation which is \$1,503,958.10.

2. Representations and Warranties of the Agent. The Agent represents and warrants to Participant as follows:

A. The Notes, the Security Agreement, the Lease and the Guarantees are legal, valid and binding agreements enforceable in accordance with their terms except as may be limited by bankruptcy or other laws affecting creditors' rights generally;

B. This Participation Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery by the other parties hereto, is a legal, valid and binding agreement enforceable in accordance with its terms except as may be limited by bankruptcy or other laws affecting creditors' rights generally;

C. The Agent has due power and authority to transfer to Participant the participating interest contemplated by this Agreement;

D. No Event of Default as defined in the Security Agreement, nor any event which, with the passing of time or the giving of notice would constitute such an Event of Default, has occurred and is continuing;

E. Except as provided herein, the Agent has not assigned, sold, conveyed or in any other manner transferred the rights granted to it under the Security Agreement, the Note and the Guarantees;

F. The Security Agreement, the Lease and this Agreement have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act, creating a first security interest of the Agent in and to the Lease and the Equipment defined therein, and no other filing or recordation is necessary for the protection of the rights of the Participant therein or in the Equipment in any state of the United States of America or the District of Columbia;

G. Except for the recordation of the Lease, the Security Agreement and this Agreement pursuant to Section 20(c) of the Interstate Commerce Act, no authorization or approval from, or registration with or notification of, any

governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia, is necessary for the execution, delivery and performance of this transaction;

H. Under the circumstances of this transaction, it is not necessary to register the Note or any other instrument or agreement executed in respect to this transaction under the Securities Act of 1933 or to qualify the Notes or any other instrument or agreement contemplated thereby under the Trust Indenture Act of 1939.

The representation and warranty of the Agent in Paragraph 2 H. is made as it pertains to the participation of the Participant herein on the assumption that the Participant is acquiring its interest as described in this Agreement for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same.

3. Payment to Participant. Upon receipt by the Agent of any payment of principal or interest on the Note or any recoveries under the Security Agreement, the Lease or the Guarantees, the Agent shall forward to the Participant its undivided interest therein by wire transfer of immediately available funds to Mellon Bank, N.A., Mellon Bank Bldg.,



Pittsburgh, PA 15210 for credit to the account of Dollar Savings Bank Acct. No. 990-2060 with phone advice to H. John Geis, Treasurer, with identification as to issue.

4. Distribution of Payments. Except as otherwise provided in respect to the accrual of interest in Paragraph 1 hereinabove, all payments hereafter received shall be applied in the following manner:

A. Any payment received by the Agent in respect of the Note shall be applied to the participation of the Agent and Participant therein on a pro rata basis, first to interest to the date of such payment and the balance, if any, to principal;

B. Any recovery under the Security Agreement, the Lease or the Guarantees shall be applied, after deduction of all costs and expenses, including attorney's fees, in the same manner as set forth in Paragraph 4A hereof.

The above provisions are intended only to set forth the application of payments as between the Agent and the Participant and shall not be deemed to create any subordination by or in favor of either such party nor shall they create any obligation or liability to the Debtor by either such party.

5. Responsibilities and Liabilities of the Agent.  
The Participant hereby appoints the Agent as its agent for

the purpose of collecting and enforcing the obligations under the Note, and the Security Agreement, the Lease and the Guarantees securing same. Except as may be expressly set forth herein, it is understood that the Agent does not make any representations or assume any responsibility with respect to the collectability of the Notes, the sufficiency of the Collateral or the Guarantees, or the repayment of Participant's participation hereunder at its maturity, and the Agent is entitled to use its discretion with respect to exercising or refraining from exercising any rights or taking or refraining from taking any actions which may be vested in the Agent hereby. Although Agent will exercise the same care to protect the interests of Participant as it does its own, the Agent shall not be under any liability to the Participant with respect to anything which it may do or refrain from doing in accordance with the terms of this Agreement except for negligence or wilful misconduct.

Anything to the contrary notwithstanding, without the prior written consent of the Participant, the Agent will not grant its consent, approval or waiver to any of the following:

A. The release, substitution or subordination of any security or party held or liable under the Security Agreement or the Guarantees;

B. A change in the rate of interest due on the Note or a change in the amount of any installment of principal or interest due on the Note;

C. The amendment or waiver of any Event of Default under the Security Agreement.

6. Additional Obligations of Lessee.

(a) Use Outside United States. Notwithstanding anything to the contrary contained in the Lease, the Lessee agrees that at no time shall more than 10% of the Equipment at any time be located outside of the United States of America.

(b) Financials. The Lessee will deliver or cause to be delivered as promptly as possible, but in any case not later than 120 days after the end of its fiscal year, to the Participant and the Agent (a) a consolidated annual financial report of the Lessee prepared in accordance with generally accepted accounting principles consistently applied and audited and certified by a recognized public accounting firm, which shall include, without limitation, a statement of income and retained earnings and a balance sheet, all in reasonable detail and satisfactory in scope to the Participant and the Agent; and (b) as soon as available and to the extent available, and in any event within 60 days after the first, second and third quarterly accounting periods in each

fiscal year of the Lessee, copies of the consolidated balance sheet of the Lessee as of the end of such accounting period and copies of related consolidated statements of income of the Lessee for the portion of the fiscal year then ended with the last day of such quarterly accounting period, all in reasonable detail and satisfactory in respect to the Participant and the Agent.

The Agent and the Participant, at their sole cost and expense, shall have the right to discuss the affairs, finances and accounts of the Lessee relating to the Equipment and to the transactions contemplated by the Lease and agreements in respect thereto with the Lessee's officers, employees and independent public accountants.

(c) Marking of the Equipment. Section 9 of the Lease is modified to the extent that the Lessee agrees to keep each unit of the Equipment marked on both sides thereof, in letters not less than one inch in height, with the following:  
~~"Subject to a Security Interest recorded with the I.C.C."~~,  
OWNERSHIP SUBJECT TO SECURITY AGREEMENT FILED UNDER I.C.C. SECTION 20 C," *ygo*  
or other appropriate words designated by the Agent with appropriate changes or additions as may be required by law to protect the security interest of the Agent and the Participant in the Equipment.

7. Additional Obligations of Debtor. The Debtor agrees that it will, without any limitation in respect to

"income and proceeds from the Equipment" as that term is defined in the Security Agreement, at its own cost and expense promptly take such action as may be necessary to duly discharge any liens, charges and encumbrances (other than the Security Agreement and the Lease) on the Collateral equal or superior to the interests of the Agent and the Participant therein which are not the responsibility of the Lessee pursuant to Section 10 of the Lease.

8. Miscellaneous.

A. The Participant agrees to share pro rata in all expenses and costs incurred by the Agent in the enforcement of the Note, the Security Agreement or the Guarantees, including the fees and disbursements of legal counsel for the Agent.

B. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania; provided, however, that it is understood and agreed by the parties hereto that each of them under this Agreement, the Security Agreement and the Lease shall be entitled to all rights conferred by Section 20(c) of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit, if any, of such agreements as shall be conferred by the laws of the several jurisdictions in which said agreements may be filed, recorded or deposited.

C. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

D. The Agent will promptly mail or deliver to the Participant at the address specified in writing by the Participant a copy of all notices, statements, documents or schedules received by it from the Debtor or the Lessee pursuant to the Security Agreement or the Lease or the transactions contemplated thereby.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures through their undersigned duly authorized officers, as of the date first above written.

Dollar Savings Bank

By   
VICE PRESIDENT

Girard Leasing Corporation

By \_\_\_\_\_

S&R Boxcar Co.

By Girard Leasing Corporation  
General Partner

By \_\_\_\_\_

National Railway Utilization  
Corporation

By \_\_\_\_\_

Pickens Railroad Company

By \_\_\_\_\_

STATE OF Pennsylvania  
COUNTY OF Allegheny : SS.

On this 25 th day of October, 1978,  
before me personally appeared Robert E. Potter,  
to me personally known, who being by me duly sworn says that  
he is a Vice President of Dollar Savings Bank, that one of the  
seals affixed to the foregoing instrument is the corporate seal  
of said corporation, that said instrument was signed and  
sealed on behalf of said corporation by authority of its  
Board of Directors and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of  
said corporation.

[NOTARIAL SEAL]

Christine E. Torpey  
Notary Public  
CHRISTINE E. TORPEY, Notary Public  
Pittsburgh, Allegheny County, Pa.  
My Commission Expires June 1, 1981

STATE OF :  
COUNTY OF : SS.

On this \_\_\_\_\_ th day of \_\_\_\_\_, 1978,  
before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn says that  
he is \_\_\_\_\_ of Girard Leasing Corporation, that  
one of the seals affixed to the foregoing instrument is  
the corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by authority  
of its Board of Directors and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of said  
corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]



STATE OF :  
: SS.  
COUNTY OF :

On this \_\_\_\_th day of \_\_\_\_\_, 1978,  
before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn says that  
he is a \_\_\_\_\_ of Girard Leasing Corporation, that  
Girard Leasing Corporation is the general Partner of S&R  
Boxcar Co., that one of the seals affixed to the foregoing  
instrument is the corporate seal of said corporation,  
that said instrument was signed and sealed on behalf of said  
corporation by authority of its Board of Directors and he  
acknowledged that the execution of the foregoing instrument  
was the free act and deed of the partnership.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

STATE OF :  
: SS.  
COUNTY OF :

On this \_\_\_\_th day of \_\_\_\_\_, 1978,  
before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn says that  
he is \_\_\_\_\_ of National Railway Utilization Corporation,  
that one of the seals affixed to the foregoing instrument is  
the corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by authority  
of its Board of Directors and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of said  
corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

STATE OF :  
 : SS.  
COUNTY OF :

On this \_\_\_\_th day of \_\_\_\_\_, 1978,  
before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn says that  
he is a \_\_\_\_\_ of Pickens Railroad Company, that one  
of the seals affixed to the foregoing instrument is the  
corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by  
authority of its Board of Directors and he acknowledged  
that the execution of the foregoing instrument was the  
free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

## PARTICIPATION AGREEMENT

Agreement, dated as of October 18, 1978 by and among Dollars Savings Bank (the Participant), Girard Leasing Corporation, a Pennsylvania corporation (the Agent), S&R Boxcar Co., a Pennsylvania limited partnership (the Debtor), and National Railway Utilization Corporation and Pickens Railroad Company, both South Carolina corporations (collectively, the Lessee).

WHEREAS, the Agent has advanced to the Debtor the aggregate principal amount of \$3,133,246 and the Debtor has issued to the Agent two promissory notes (collectively, the Note) dated September 29, 1978 for such amount;

WHEREAS, to secure the Debtor's obligations thereunder, the Agent and the Debtor have executed a Security Agreement dated September 29, 1978, which assigns certain Collateral defined therein to the Agent, and the Security Agreement has been recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act at 1:20 P.M. on October 20, 1978 and assigned recordation number 9787;

WHEREAS, the Debtor has entered into a certain Lease defined in the Security Agreement with the Lessee and

the Lease has also been recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act at 9:10 A.M. on September 29, 1978 and assigned, along with certain attachments thereto, recordation numbers 9721, 9721-A and 9721-B;

WHEREAS, to further secure the Note the limited partners of the Debtor have each executed limited guarantees of the Debtor's obligation to the Agent (the Guarantees) dated September 29, 1978, each in the amount of \$585,420;

WHEREAS, the Agent and the Participant have agreed to the acquisition by the Participant of an undivided interest in the Note, the Security Agreement, the Guarantees and all other opinions, certificates and other documents in respect thereto in which the Agent has any rights, on the terms and conditions set forth hereinbelow:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Interest of Participant. The Agent hereby sells, assigns and transfers to the Participant an undivided participating interest of 48% in the Note, the Security Agreement, the

Guarantees and all other opinions, certificates and other documents in respect thereto in which the Agent has any rights, and all payments of interest, repayments of principal and any other amounts thereon received hereafter. Such participation shall become effective, and interest shall begin to accrue to the Participant, as of the date upon which the Agent has received from the Participant in immediately available funds the amount of the participation which is \$1,503,958.10.

2. Representations and Warranties of the Agent. The Agent represents and warrants to Participant as follows:

A. The Notes, the Security Agreement, the Lease and the Guarantees are legal, valid and binding agreements enforceable in accordance with their terms except as may be limited by bankruptcy or other laws affecting creditors' rights generally;

B. This Participation Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery by the other parties hereto, is a legal, valid and binding agreement enforceable in accordance with its terms except as may be limited by bankruptcy or other laws affecting creditors' rights generally;

C. The Agent has due power and authority to transfer to Participant the participating interest contemplated by this Agreement;

D. No Event of Default as defined in the Security Agreement, nor any event which, with the passing of time or the giving of notice would constitute such an Event of Default, has occurred and is continuing;

E. Except as provided herein, the Agent has not assigned, sold, conveyed or in any other manner transferred the rights granted to it under the Security Agreement, the Note and the Guarantees;

F. The Security Agreement, the Lease and this Agreement have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act, creating a first security interest of the Agent in and to the Lease and the Equipment defined therein, and no other filing or recordation is necessary for the protection of the rights of the Participant therein or in the Equipment in any state of the United States of America or the District of Columbia;

G. Except for the recordation of the Lease, the Security Agreement and this Agreement pursuant to Section 20(c) of the Interstate Commerce Act, no authorization or approval from, or registration with or notification of, any

governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia, is necessary for the execution, delivery and performance of this transaction;

H. Under the circumstances of this transaction, it is not necessary to register the Note or any other instrument or agreement executed in respect to this transaction under the Securities Act of 1933 or to qualify the Notes or any other instrument or agreement contemplated thereby under the Trust Indenture Act of 1939.

The representation and warranty of the Agent in Paragraph 2 H. is made as it pertains to the participation of the Participant herein on the assumption that the Participant is acquiring its interest as described in this Agreement for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same.

3. Payment to Participant. Upon receipt by the Agent of any payment of principal or interest on the Note or any recoveries under the Security Agreement, the Lease or the Guarantees, the Agent shall forward to the Participant its undivided interest therein by wire transfer of immediately available funds to Mellon Bank, N.A., Mellon Bank Bldg.,

Pittsburgh, PA 15210 for credit to the account of Dollar Savings Bank Acct. No. 990-2060 with phone advice to H. John Geis, Treasurer, with identification as to issue.

4. Distribution of Payments. Except as otherwise provided in respect to the accrual of interest in Paragraph 1 hereinabove, all payments hereafter received shall be applied in the following manner:

A. Any payment received by the Agent in respect of the Note shall be applied to the participation of the Agent and Participant therein on a pro rata basis, first to interest to the date of such payment and the balance, if any, to principal;

B. Any recovery under the Security Agreement, the Lease or the Guarantees shall be applied, after deduction of all costs and expenses, including attorney's fees, in the same manner as set forth in Paragraph 4A hereof.

The above provisions are intended only to set forth the application of payments as between the Agent and the Participant and shall not be deemed to create any subordination by or in favor of either such party nor shall they create any obligation or liability to the Debtor by either such party.

5. Responsibilities and Liabilities of the Agent.  
The Participant hereby appoints the Agent as its agent for



the purpose of collecting and enforcing the obligations under the Note, and the Security Agreement, the Lease and the Guarantees securing same. Except as may be expressly set forth herein, it is understood that the Agent does not make any representations or assume any responsibility with respect to the collectability of the Notes, the sufficiency of the Collateral or the Guarantees, or the repayment of Participant's participation hereunder at its maturity, and the Agent is entitled to use its discretion with respect to exercising or refraining from exercising any rights or taking or refraining from taking any actions which may be vested in the Agent hereby. Although Agent will exercise the same care to protect the interests of Participant as it does its own, the Agent shall not be under any liability to the Participant with respect to anything which it may do or refrain from doing in accordance with the terms of this Agreement except for negligence or wilful misconduct.

Anything to the contrary notwithstanding, without the prior written consent of the Participant, the Agent will not grant its consent, approval or waiver to any of the following:

A. The release, substitution or subordination of any security or party held or liable under the Security Agreement or the Guarantees;

B. A change in the rate of interest due on the Note or a change in the amount of any installment of principal or interest due on the Note;

C. The amendment or waiver of any Event of Default under the Security Agreement.

6. Additional Obligations of Lessee.

(a) Use Outside United States. Notwithstanding anything to the contrary contained in the Lease, the Lessee agrees that at no time shall more than 10% of the Equipment at any time be located outside of the United States of America.

(b) Financials. The Lessee will deliver or cause to be delivered as promptly as possible, but in any case not later than 120 days after the end of its fiscal year, to the Participant and the Agent (a) a consolidated annual financial report of the Lessee prepared in accordance with generally accepted accounting principles consistently applied and audited and certified by a recognized public accounting firm, which shall include, without limitation, a statement of income and retained earnings and a balance sheet, all in reasonable detail and satisfactory in scope to the Participant and the Agent; and (b) as soon as available and to the extent available, and in any event within 60 days after the first, second and third quarterly accounting periods in each

fiscal year of the Lessee, copies of the consolidated balance sheet of the Lessee as of the end of such accounting period and copies of related consolidated statements of income of the Lessee for the portion of the fiscal year then ended with the last day of such quarterly accounting period, all in reasonable detail and satisfactory in respect to the Participant and the Agent.

The Agent and the Participant, at their sole cost and expense, shall have the right to discuss the affairs, finances and accounts of the Lessee relating to the Equipment and to the transactions contemplated by the Lease and agreements in respect thereto with the Lessee's officers, employees and independent public accountants.

(c) Marking of the Equipment. Section 9 of the Lease is modified to the extent that the Lessee agrees to keep each unit of the Equipment marked on both sides thereof, in letters not less than one inch in height, with the following:

Agreement filed under

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

"Ownership Subject to a Security Interest recorded with the I.C.C. Section 20(c)"  
or other appropriate words designated by the Agent with appropriate changes or additions as may be required by law to protect the security interest of the Agent and the Participant in the Equipment.

7. Additional Obligations of Debtor. The Debtor agrees that it will, without any limitation in respect to

"income and proceeds from the Equipment" as that term is defined in the Security Agreement, at its own cost and expense promptly take such action as may be necessary to duly discharge any liens, charges and encumbrances (other than the Security Agreement and the Lease) on the Collateral equal or superior to the interests of the Agent and the Participant therein which are not the responsibility of the Lessee pursuant to Section 10 of the Lease.

8. Miscellaneous.

A. The Participant agrees to share pro rata in all expenses and costs incurred by the Agent in the enforcement of the Note, the Security Agreement or the Guarantees, including the fees and disbursements of legal counsel for the Agent.

B. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania; provided, however, that it is understood and agreed by the parties hereto that each of them under this Agreement, the Security Agreement and the Lease shall be entitled to all rights conferred by Section 20(c) of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit, if any, of such agreements as shall be conferred by the laws of the several jurisdictions in which said agreements may be filed, recorded or deposited.

C. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

D. The Agent will promptly mail or deliver to the Participant at the address specified in writing by the Participant a copy of all notices, statements, documents or schedules received by it from the Debtor or the Lessee pursuant to the Security Agreement or the Lease or the transactions contemplated thereby.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures through their undersigned duly authorized officers, as of the date first above written.

Dollar Savings Bank

By \_\_\_\_\_

Girard Leasing Corporation

By *S. B. Chavon*  
*Assistant Treasurer*

S&R Boxcar Co.

By Girard Leasing Corporation  
General Partner

By *D. A. Wingler*

National Railway Utilization  
Corporation

By Charles P. Tumbull

Pickens Railroad Company

By Charles P. Tumbull

STATE OF :  
: SS.  
COUNTY OF :

On this \_\_\_\_\_th day of \_\_\_\_\_, 1978,  
before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn says that  
he is a \_\_\_\_\_ of Dollar Savings Bank, that one of the  
seals affixed to the foregoing instrument is the corporate seal  
of said corporation, that said instrument was signed and  
sealed on behalf of said corporation by authority of its  
Board of Directors and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of  
said corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

STATE OF *Pennsylvania* :  
: SS.  
COUNTY OF *Philadelphia* :

On this 18th th day of \_\_\_\_\_ October \_\_\_\_\_, 1978,  
before me personally appeared Samuel B. Chavenson,  
to me personally known, who being by me duly sworn says that  
he is Assistant Treasurer of Girard Leasing Corporation, that  
one of the seals affixed to the foregoing instrument is  
the corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by authority  
of its Board of Directors and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of said  
corporation.

*Bertha M. Burkhard*  
\_\_\_\_\_  
Notary Public

BERTHA M. BURKHARD, Notary Public  
PHILADELPHIA, PHILADELPHIA COUNTY  
MY COMMISSION EXPIRES APR. 20, 1982  
Member, Pennsylvania Association of Notaries

[NOTARIAL SEAL]

I hereby certify that I am  
not an Officer or Director of  
the above named Corporation.

STATE OF Pennsylvania :  
COUNTY OF Philadelphia : SS.

On this 18th th day of October, 1978,  
before me personally appeared Douglas A. Wrigley,  
to me personally known, who being by me duly sworn says that  
he is a Vice President of Girard Leasing Corporation, that  
Girard Leasing Corporation is the general Partner of S&R  
Boxcar Co., that one of the seals affixed to the foregoing  
instrument is the corporate seal of said corporation,  
that said instrument was signed and sealed on behalf of said  
corporation by authority of its Board of Directors and he  
acknowledged that the execution of the foregoing instrument  
was the free act and deed of the partnership.

Bertha M. Burkhard  
Notary Public

[NOTARIAL SEAL]

BERTHA M. BURKHARD, Notary Public  
PHILADELPHIA, PHILADELPHIA COUNTY  
MY COMMISSION EXPIRES APR. 20, 1982  
Member, Pennsylvania Association of Notaries

STATE OF Ohio :  
COUNTY OF Franklin : SS.

I hereby certify that I am  
not an Officer or Director of  
the above named Corporation.

On this 25th day of October, 1978,  
before me personally appeared Charles E. Spurburke,  
to me personally known, who being by me duly sworn says that  
he is Vice President of National Railway Utilization Corporation,  
that one of the seals affixed to the foregoing instrument is  
the corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by authority  
of its Board of Directors and he acknowledged that the execution  
of the foregoing instrument was the free act and deed of said  
corporation.

Darlene Marquette  
Notary Public

[NOTARIAL SEAL]

DARLENE MARQUETTE  
Notary Public, Phila., Phila. Co.  
My Commission Expires Sept. 13, 1982



STATE OF Penna. :  
COUNTY OF Phila. : SS.

On this 15 th day of October, 1978,  
before me personally appeared Charles P. Greenburke,  
to me personally known, who being by me duly sworn says that  
he is a Vice President of Pickens Railroad Company, that one  
of the seals affixed to the foregoing instrument is the  
corporate seal of said corporation, that said instrument  
was signed and sealed on behalf of said corporation by  
authority of its Board of Directors and he acknowledged  
that the execution of the foregoing instrument was the  
free act and deed of said corporation.

Darlene Marquette  
Notary Public

[NOTARIAL SEAL]

**DARLENE MARQUETTE**  
Notary Public, Phila., Phila. Co.  
My Commission Expires Sept. 13, 1982